2. 41
o mg
No. 7

PLEASE RETURN

Montana State Library
3 0864 1006 0212 0

STATE FUND MONTANA

MONTANA GUARDIAN

JUNE 1991

"Serving Montana Employers and Employees"

MONTANA STATE LIBRARY
1515 E. 6th AVE.
HELENA, MONTANA 59620

JUNE 1991 Volume 01 Number 07

OUTSTANDING STATE EMPLOYEES

On May 7, 1991, Governor Stan Stephens hosted a ceremony which recognized about 40 state employees for their outstanding contributions to their agencies and the people of Montana. Each state agency was allowed to choose outstanding employees based on the total number of agency employees. From an impressive list, Carla Smith and Dave Watt were selected for recognition.

Carla has served state government and Montanans with dedication and diplomacy for 23 years. Her work during the reorganization of the State Fund was exemplary. Without her, the change over would have been far more difficult and time consuming.

Carla Smith

Dave Watt

Dave has exhibited outstanding effort and accomplishment in the establishment of Loss Prevention and training programs with a variety of Montana employers over several years. These programs have resulted in considerable decrease in liabilities associated with work related injuries in these businesses.

The State Fund was allowed two such designated employees. Nominations were gathered from supervisors and co-workers. Six people were nominated within the State Fund. They were Sharon Calder, Benefits Program Assistant I; Fred Lubke, Maintenance Supervisor; Carla Smith, Administration & Finance Vice President; Toni Sperle, Mail Clerk II; Tim Tindall, Field Claims Examiner; and Dave Watt, Loss Prevention Consultant

CONGRATULATIONS to all the people who were nominated and especially to Carla and Dave for this well-earned recognition.

Contents

Personnel Actions 3

Walk America 3

LAN Update 4

Database Ditties 5

State Fund MPEA 6

PREMIUM RATE NOTICES

Premium rate notices were mailed to more than 26,000 State Fund policyholders on May 24th. These notices advise employers of their premium rates for Fiscal Year 1992 and will go into effect on July 1, 1991. Our insurance policy requires us to provide reasonable notice to policyholders of rate changes prior to the effective date of such changes.

This rate notice will be the first indication policyholders have of "tiered pricing." The concept of tiered pricing was discussed in the last issue of the **Guardian.** It looks like the Policy Services staff will be very busy over the next several weeks.

Message from the President . . . .

Patrick J. Sweeney

Cost containment is the buzz word of the 90's in workers' compensation. Policyholders demand and should expect the State Fund to implement and realize containment in the escalating cost of benefits. Recent articles in a number of national insurance publications predict medical expenditures to approach 50% of the total workers' compensation benefits paid by the year 2000.

Many vendors in the market offer a myriad of products to reduce costs. All purport savings, even though it is difficult to measure when comparing some products using subjective criteria.

State Fund management is currently exploring several products and alternatives for medical cost containment. We hope to be in a position in the near future to implement.

Legislation, as well as innovation, can develop containment. As noted in a separte article in this publication, two significant cost containment measures were implemented by the 1991 Legislature: 1) medical increases parallel the percentage increase in the state's average weekly wage and 2) required generic drugs in workers' compensation cases.

I have briefly discussed cost containment as it relates to but one component in the overall scheme. Cost containment is not limited to medical. The sum of the parts make up the whole. We must continue to focus on safety, employer awareness and employee education combined with customer service.

LETTERS TO THE EDITOR

A SINCERE THANK YOU!

Myrna Hammond and Suzie Shute would like to extend a ***HUGE THANK YOU*** to all of the most generous State Fund employees who so freely contributed to a fund to help Nance Hughes with her recent trip east and surgery.

THANK YOU SO VERY MUCH!!!

EARLY RETURN TO WORK

NEXT NEWSLETTER DEADLINE

Our next employee newsletter will be available on August 1st. Due to holidays and vacations, the deadline for articles is July 12th. Articles are to be given to Harold Gilbertson.

STATE FUND MONTANA

MONTANA GUARDIAN

The State Fund **"Montana Guardian"** is an official employee newsletter published by the State Compensation Mutual Insurance Fund for the purpose to educate and keep State Fund employees informed on the workers' compensation industry, especially the State Fund.

Editor	Jim Murphy, Executive Vice-President
Managing Editor	Harold Gilbertson, Administrative Officer III
Contributors	Debbie Svaldi, Personnel Manager Eleanor Bowen. Assistant VP Underwriting Christy Weikart, Policy Services Director Ellen Black, Audit Director Ed Glenn, Management Analyst II Marvin Kraft, Administrative Support Director
Technical Editor & Layout	Pietr Zwolle, Management Analyst I

Printed at Publications and Graphics Bureau, Procurement and Printing Division, Department of Administration, Helena, MT 59601.

Printing and distribution costs for this public document are available from Pietr Zwolle, Manangement Information Services, Executive Office, State Fund, P.O. Box 4759, Helena, MT 59604-4759.

Letters to the Editor of the Montana Guardian will be accepted from current State Fund employees. Letters to the Editor are to be submitted to Harold Gilbertson by the article deadline date and must include the employee's name, section and department name, and office phone number. Letters without the author's name, section and department name and office phone number will not be published. Letters deemed inappropriate to the goals and objectives of the Montana Guardian or State Fund will be returned to the author with an explanation why it was rejected. Due to space constraints, some letters may appear in a later issue. Letters to the Editor do **NOT** reflect the policy or official positions of either the Board of Directors or the management of State Fund.

All rights reserved; reproduction in part or in whole without permission is prohibited.

SERVICE PIN AWARD CEREMONY

On May 23rd, thirty-three State Fund employees were presented with service pins for their years of service with the State of Montana. Service time eligibility is computed on continuous state employment without a break in service. The pins were presented to those individuals reaching the appropriate number of service years between October 20, 1989 and May 31, 1991. Congratulations.

20 Year Pin

Vivian Johnson

15 Year Pin

Gwen Bernard
Debbie Svaldi
Vonnie Johnson

10 Year Pin

Jim Cavanaugh
Aggie Lesofski
Steve Miser
Fred Nelson
Arliss Pillatzke
Linda Stockie
Chuck Edquest
Randy Marcus
Donna Nelson
Kathy Oliver
Barb Sauter

5 Year Pin

Sharon Calder
Dave Frazier
Deena Gunstone
John Huth
Nancy O'Dell
Charlotte Payne
Marie Ringle
Gary Tuffli
Dave Watt
Connie Ferriter
Missy Garrison
Sam Heigh
Gail Martin
Jo Ann Owens
Mary Lynn Ramsey
Sandy Toney
Trudy Von Bergen
Stan Wells

March of Dimes

Walk America

On Saturday, April 26th, State Fund's team of Helen Osterloth, Jim Grigsby, Sharon Calder, Donna Gregg, Betty Hicks, Kathy Hall and Kathy's daughter Heide, along with Nancy O'Dell as team captain, participated in a 6.2 mile walk. The walk started on Cruse, up Broadway to California, then around Colonial Drive back to Cruse. The team received a plaque for collecting $521.00. Nancy thanks all team members and everyone at State Fund who contributed to the March of Dimes and made it a successful team effort in Walk America.

CARLIN RETIRES

Beverly Carlin, a secretary in the State Fund's Executive Office, has announced her pending retirement. Bev's last day with the State Fund will be Friday, May 31st.

Bev was employed with the state for some 17 years, 14 of which have been with the State Fund. She began her career with state government in Billings as a secretary. She then spent several years as a secretary and legal secretary in a national law firm and insurance companies out-of-state. She returned to state service some 14 years ago as a secretary with the Workers' Compensation Division, now the State Fund. Bev has also been active in the State Fund MPEA.

She and her husband, Tom, who is also retired, plan to make extensive use of their boat. Bev states they have a very nice small cabin cruiser, have recently passed a Coast Guard Training course and have plans to put all this to good use.

Bev . . . . . **YOU WILL BE MISSED.** Our sincere wishes for the very best of everything go with you and Tom.

PERSONNEL ACTIONS

FROM MARCH 13 ,1991
TO MAY 15, 1991

NEW

Benefits Department

Elaine Zahara	Receptionist II

Underwriting Department

Ron Collins	Loss Prevention Consultant
Michelle Brown	Admin. Clerk II

PROMOTIONS

Sharon Calder	Claims Assistant III
Diane Evankovich	Program Assistant I
Kathy Hall	Claims Assistant III
Kim Kynett	Claims Assistant III
Kelly Lamoreux	Program Assistant I
Gail Martin	Claims Assistant I

LEFT

Bonnie Ward	Patti Sullivan
Charla Winterrowd	Don Roberts
Cheryl Bristow	Harold Wilcox
Bev Carlin	Kelly Pacurian

LAN UPDATE

Bar Coding & Training

State Fund will have 58 PC's connected to the Local Area Network by summer. About 30% of all computer users at the State Fund are now attached to the LAN (remaining 70% are attached to our VS100's).

The newest addition to the LAN will be a training room in the basement. The training room will have four permanent PC's, and an overhead projector with a PC viewer attached.

Operations is planning several classes which will begin as soon as the training room is ready. Classes in the following topics are planned for June through August:

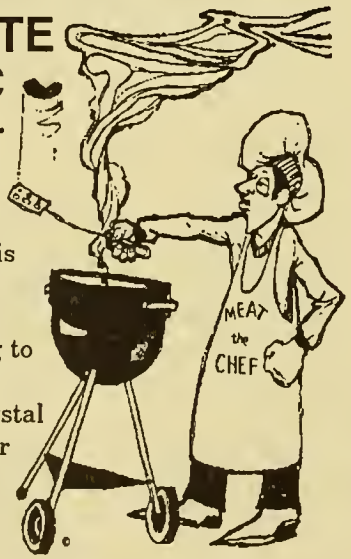
Class Title	*Duration*
State Fund LAN and Microsoft Windows	1 day
Microsoft Word for Windows - Basic	1 day
Advanced	1 day
Microsoft Excel 3.0 - Basic	1 day
Advanced	1 day
Windows Applications Integration	1 day

A new State Fund manual for Excel will also be available in June. Currently a manual is available for State Fund LAN Windows and Word for Windows.

Purchasing was recently completed for another update to the LAN. This additional equipment will support a bar coding system. The system will be used for tracking of claims by the Benefits Department.

ANNUAL STATE FUND PICNIC

The annual State Fund Picnic is coming up. Volunteers to serve on this year's organizing committee are urgently needed. If you are willing to volunteer to work on the committee, please see Crystal Murphy on second floor or call her at 6495.



NEW LEGISLATIVE CHANGES

The recent Legislative Session passed some 22 bills affecting the workers' compensation system. The following is a brief summary of the legislation passed. If needed, copies of the bills are available from Harold Gilbertson and a more detailed summary can be obtained from Jim Murphy.

Senate Bills

SB 102 Workers' Compensation insurance coverage for volunteer fire fighters

SB 130 Insurer is only liable for the payment of generic drugs unless the physician specifies no substitutions or a generic drug is not available.

SB 188 Adds acupuncturists to the list of insured full freedom of choice in the selection of medical providers.

SB 383 Defines temporary service contractor, temporary workers and the motor carrier responsible for coverage of driver(s). It also clarifies the subrogation section of the statute and repeals the conflicting 20 and 30 day cancellation notice periods previously in law.

SB 420 States the insurance carrier and the State Fund ***must*** offer a deductible for medical, hospital and related services in the amount of $500.

SB 473 Provides for workers' compensation insurance coverage for community service workers.

House Bills

HB 187 "The insurance carrier must adopt a method of calculating premium paid by the construction industry which does not impose a higher insurance premium solely because an employer pays a higher wage."

HB 197 Codifies a Supreme Court decision which states, "The court can impose a 20% penalty for unreasonable delays or refusal to pay after the court has ordered the payment or after the insurer agrees to pay."

HB 251 Extends the life of the Workers' Compensation Joint Select Committee of the legislature.

NEW LEGISLATIVE CHANGES *(continued)*

HB 280 Temporary Total benefits can be denied if the treating physician releases the worker to the same, modified, or an alternative position for which the worker is qualified, with the same employer, at the same or higher wages and the worker does not accept said offer.

HB 465 Generally revises and clarifies the regulatory and administrative functions or the workers' compensation system.

HB 719 Restricts and sets criteria for independent examination of patients under the care of a chiropractor.

HB 807 Clarifies workers' compensation and unemployment insurance exemption lists.

HB 812 Allows the Department of Labor to adopt rules to determine the employee's expense reimbursements which will be excluded from "wages" for both workers' compensation and unemployment purposes.

HB 837 Revises definitions of permanent partial and permanent total disabilities, redefines rehabilitation, and repeals rehab panels. It also impacts many other areas of workers' compensation.

HB 995 Grants authority to the Board of Investments to sell up to $220,000,000 in bonds to pay for claims for injuries resulting from accidents which occurred before July 1, 1990 and allows for lump sum settlement of a claim regardless of the lump sum law in effect at the time of injury.

DATABASE DITTIES

Database Ditties is Coming Attractions. You may know the MIS has spent the last few months making some major changes to the Policy Services side of the database. The changes to incorporate Tiered Billing required substantial changes in the structure, and hence, the way we use the database. Just like making a major movie, we have big stars, a great plot, and special effects you wouldn't believe. Well, we have big changes anyway!

While you will be hearing more about all this in training sessions, I thought a quick preview would be fun. Policy Services Inquiry will now have 4 submenus. This will enhance our system security, as well as reduce the amount of data on a screen. Submenus will include General Information, Financial Information, Class Code Information, and Compliance Information. We will have a series of function codes built in so you can page from one screen in the sequence to the next just by pressing enter. You can also enter the screen number you want to go to, press enter, and you will go directly there.

Other changes include reformatting the Screens so they are easier to read, rewriting the programs to be cheaper to run, translating all those codes to plain english, and simplifying the system's security structure. But my personal favorite is a screen which will allow you to see all the accidents for an employer. Ever had to get a Loss Run because you needed information on an employer's accidents? No More. Just bop into Policy Inquiry and that info is at your fingertips.

As with any changes, we will all need some time to get used to the new screens, finding data, and navigating. But, we are confident that this summer release will 'wow' all the critics, and bring cries of, "Author, Author", from the crowd. Maybe we should call it, "Dancing with Data". Coming in July, to a screen near you.

EQUIPMENT INVENTORY

The Property Accountability Management System (PAMS) is a centrally maintained subsystem of the Statewide Budgeting and Accounting System (SBAS) used to manage and account for the State's investment in all fixed assets (property and equipment). Once again it is time for the annual inventory of all equipment and supplies to comply with the requirements of the PAMS.

Fred Lubke will be taking a physical inventory of all equipment starting around the 1st of June. During the inventory, we will be changing the inventory tags from the Division of Workers' Compensation to State Fund. This will be a time consuming task and we ask that all employees cooperate to help expedite the change. We anticipate the inventory process to take about two weeks. Some of the inventorying may be done after hours to complete it by the deadline. During this time please remove all equipment within desks, credenzas, and file cabinets. Fred will not get into any enclosed areas looking for equipment. If you have any equipment that is no longer needed or is not in working condition, please leave a note on it for Fred.

During the last two weeks of June, Bob Burke will be inventorying the State Fund supplies and forms. This is also required prior to year end. Central Stores will be closed for a week during the last part of June for their inventory. Please make sure your supplies are adequately stocked to carry you through this period, in the event any delays may occur.

SPRING CONFERENCE '91

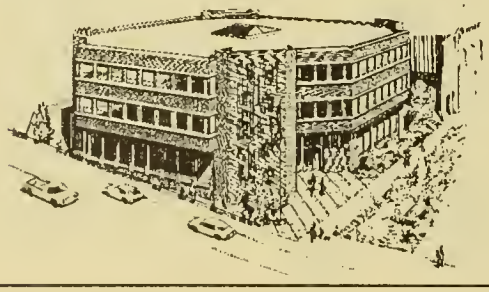
You might have noticed extra bodies in the building during the week of May 6th. No, they weren't the building inspection squad or the job replacement crew, but our very own field staff. The field staff, consisting of eight Audit Division Field Representatives, seven Loss Prevention Consultants and nine Field Claims Examiners were in town to attend Spring Conference '91.

The conference was organized to provide functional and personnel training, an update of the legislative happenings and an opportunity to meet other field personnel in their respective areas. They did, however, manage to put the Helena staff through as much "h..." as possible for the short time they were in, (which I know was one of their primary goals).

We tried to keep the field staff busy (and hopefully awake) during the days with a variety of speakers and topics. All State Fund specific topics were addressed by our own highly trained, competent staff. We also had the Department of Administration address personnel issues, a retired Highways trainer taught us all how to drive and we even had a tailor tell us how to dress!

On Wednesday evening we managed to unwind with a few beers and a barbeque out at the fairgrounds. The rest of the conference may not have been well attended, but you can rest assured the barbeque was! The keg finally went dry around 10 that evening, although looking at some of the faces on Thursday morning, (my own included), that didn't stop the party!

All in all, Spring Conference '91 seems to have been a productive training session and nobody's social life was interrupted too badly. Now that we've all had some time to regroup and catch a breath, we're looking forward to the next conference. (We'll try to work around hunting season!)

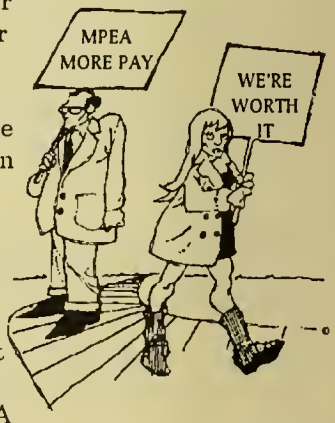


STATE FUND MPEA

The last few months have been busy for the State Fund MPEA with June showing no change. Members in the chapter have been very active.

Many people have been asking what is happening with the State Fund contract. Recent events with the State Pay Plan have left many members confused as well as concerned especially when talk was about a strike. The State Fund is not part of the State Pay Plan and our pay and contract are negotiated separately. The State Fund MPEA Negotiating Committee has spent long hours developing this year's proposed contract and in March officially notified management it was ready to begin negotiations. The first meeting with management was held on Tuesday, May 28th, with the next meeting scheduled for Thursday, June 13th. Members of the State Fund MPEA Negotiating Committee are Kathy Oliver, Dave Frazier, Sam Heigh, Crystal Murphy and Pietr Zwolle, along with MPEA attorney Dave Stiteler. The current contract expires midnight on June 30, 1991.

In March, the statewide organization (MPEA) held a one-day walkout strike and rally at the State Capitol urging the Legislature to pass a $1.00 per hour pay increase per year. Later in April, the statewide organization voted to go on a full strike when the Legislature was not able to override the Governor's veto on a 60 cent per hour pay increase per year. A compromise was finally reached which will eventually mean most people on the State Pay Plan will get at least 60 cents per hour in FY 92 and at least 45 cents per hour by January, 1993. The State Fund MPEA had members attend the rally as well as some members joining picket lines during their time off. The State Fund management took efforts to help ensure State Fund MPEA members were not forced to cross MPEA and other union picket lines.



A MPEA strikers' relief fund has been established to aid state workers who are financially pressed as a result of being on strike. Contributions are welcome from anyone and can be mailed or brought to Valley Bank. Checks should be made out to MPEA Strikers' Relief Fund. Do not mail cash. For further information, see Crystal or Pietr.

The next quarterly meeting of the general membership of the State Fund MPEA is Thursday, July 11th. A place and time will be annouced. Nominations for president, vice president and secretary are now being accepted with elections slated for the last week in August. To be eligible for nominations, you must be a voting member of the State Fund MPEA. The term of offices is from October to September. Nominations can be given to Kathy, Crystal or Chris McCoy.